

**CIHM  
Microfiche  
Series  
(Monographs)**

**ICMH  
Collection de  
microfiches  
(monographies)**

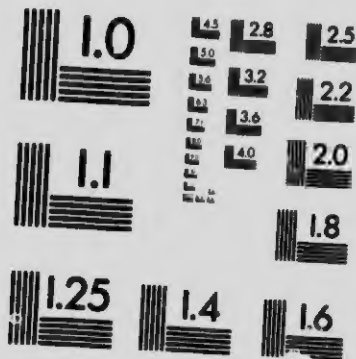


**Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques**

**© 1996**

# MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



APPLIED IMAGE Inc

1653 East Main Street  
Rochester, New York 14609 USA  
(716) 482 - 0300 - Phone  
(716) 288 - 5989 - Fax

# **LABOR'S Just and Reasonable DEMANDS:**

A Lower Tariff to Reduce Living Cost.

Regulation of Cold Storage.

Prompt Decrease of High Profits.

Quick Action against Companies which control  
Food, Coal, etc.

Fair Hours and Living Wages.

A Minimum Wage Act.

The Right to Form Unions.

The Right of Unions to Bargain through their  
Committees.

**Should not these demands be granted?**

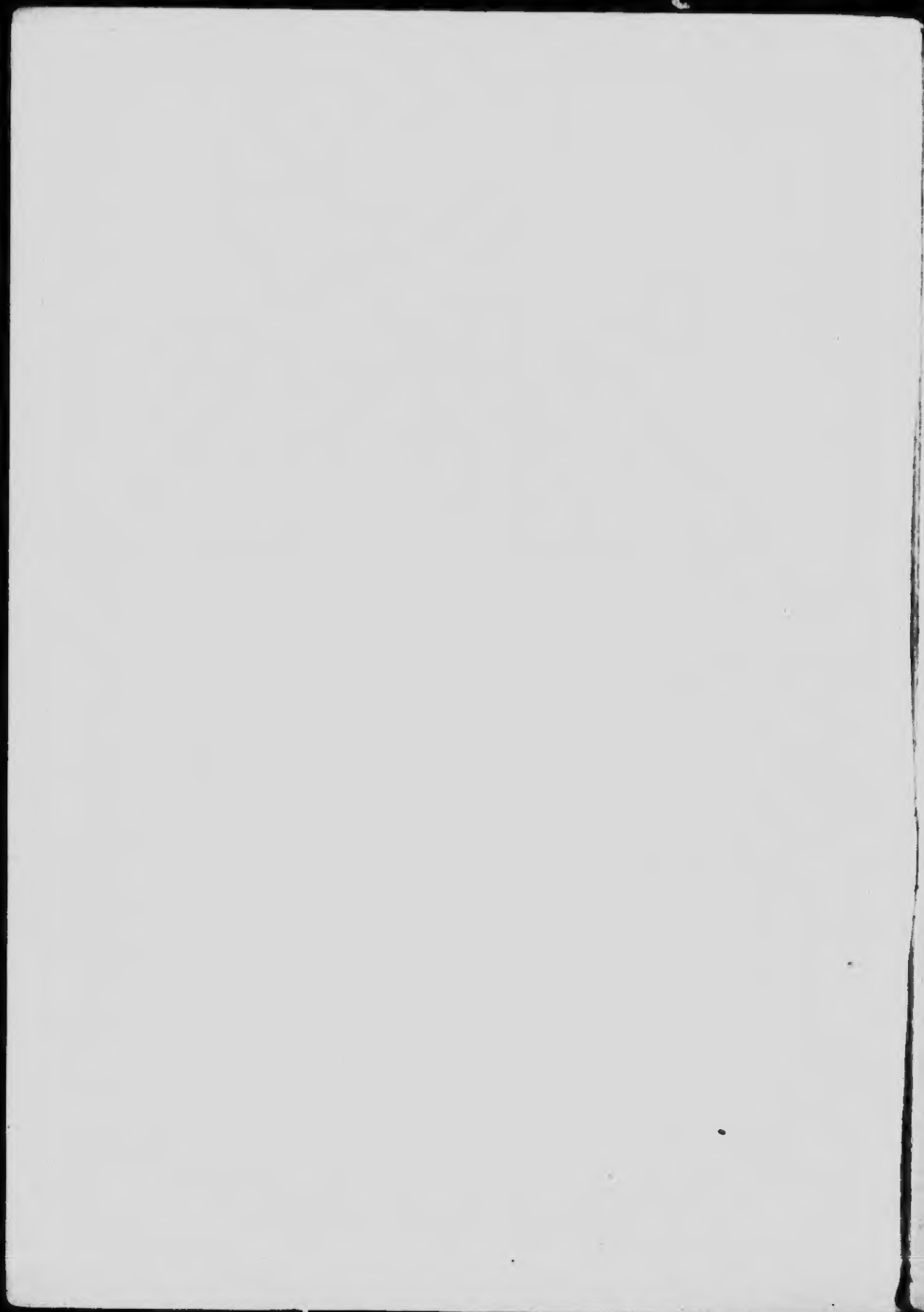
**A REVIEW OF WHAT AUSTRALIA  
AND OTHER COUNTRIES HAVE DONE,  
AND WHAT CANADA MUST DO.**

BY

**W. FRANK HATHEWAY**

ST. JOHN, N. B., CANADA.

NOVEMBER, 1919



# **LABOR'S Just and Reasonable DEMANDS:**

A Lower Tariff to Reduce Living Cost.

Regulation of Cold Storage.

Prompt Decrease of High Profits.

Quick Action against Companies which control  
Food, Coal, etc.

Fair Hours and Living Wages.

A Minimum Wage Act.

The Right to Form Unions.

The Right of Unions to Bargain through their  
Committees.

**Should not these demands be granted?**

**A REVIEW OF WHAT AUSTRALIA  
AND OTHER COUNTRIES HAVE DONE,  
AND WHAT CANADA MUST DO.**

BY

**W. FRANK HATHEWAY**

ST. JOHN, N. B., CANADA.

NOVEMBER, 1919

HN106

H37

# POLICIES AND POLITICS

## Sir Robt. L. Borden and the Tariff.

NO. 1.

"Mr. Gladstone was the only man among us all who infused commanding moral conception into the Irish movement, the only man who united the loftiest ideals of national life and public duty with the glory of words, the moral genius of Mazzini with the political genius of Cavour. He seemed to make Irishmen believe in themselves by the very force of his own belief in them."—John Morley.

Great crises produce great minds. The American Rebellion produced a Chatham, the Irish famine gave us Peel, and the desire for Home Rule in Ireland placed Gladstone before the world as the greatest Englishman of his time. Is it too much to hope that some Canadian statesmen will cease looking backward, and will see ahead a broad wise policy that will tolerate every religion, will recognize the rights of persons as higher than the rights of property, and will make this nation become a contented and happy people?

The policy of protection, of free trade, of bonuses to manufacturers, or to shipbuilders, of a revenue by taxing luxuries, of leaving foods on the free list, of a direct income tax—all these are strictly policies and not principles. From 1815 to 1845 it may have been a wise policy for Britain to have tariff protection. The repeal of the protective corn laws in 1846 and the adoption of free trade may likewise have been a wise policy for Britain up to 1900. Britain's free trade policy of that time brought a contemptuous smile from Bismarck, who laid the foundation of protection for Germany in 1860-1870. That which was Britain's food in 1870 was stigmatized as Germany's poison, and vice-versa. These trade policies are neither moral or immoral, for they are not principles. Whichever policy results in the great-

est good to the greatest number composing the nation, that should be the policy for Canada. Since 1870 Canada has had the benefits accruing from the so-called Tilley-McDonald National Policy. Driven to it by the rather unkindly attitude of the United States, Canada adopted that policy for the purpose of stimulating manufactures. The Liberal party of 1895 to 1900 continued this tariff protection, but strengthened British connection by giving tariff preference to all British goods. The most devout adherents to the Tory and Grit parties have to agree that, under the policies of these two parties, Canadian manufacturers are now solidly on their feet. It might be truly said that manufactures which cannot rise to stability with thirty to forty years of high protection had better be permitted to die out. To-day, in 1919, the conditions of living suggest that Sir Robert Borden might take a leaf out of Sir Robert Peel's statesmanship of 1846, and revise our tariff downward and not upward. For years Peel had been a protectionist. Nevertheless he saw that what was a wise policy up to 1840, had become unwise in 1845-46. On December 4, 1845, the London Times said: "The Royal Speech will recommend the Total Repeal of the Corn Laws." The continued rains had destroyed the crops in Great Britain and famine existed in Ireland. Dire necessity demanded a new policy. Recognizing that new conditions demand tariff changes, Sir Robert Peel introduced and finally carried early in 1846 the famous Bill repealing the corn duties. It is likely that Sir Robert Borden is now ready in Canada to emulate the distinguished statesman of 1845-46. If so, he will take away some of the thunder in the Jovine Liberal camp at Ottawa and, by a lessened tariff, force wealthy members of the Dominion Manufacturers' Association to accept smaller dividends than those revealed in the late investigation. The extremely high rents prevailing in St. John and other cities, and the high cost of food and clothes, are not equalled (except in rare cases) by the advance in wages. This condition cannot be remedied by a Tariff Commission which will report next December or January. By that time the agony of winter with coal at \$15.00

per ton, and firewood at \$16.00 per cord, will be upon us with all its lamentable results. A partial remedy can be found in a prompt reduction of the tariff on woollen and cotton goods, in the regulation of cold storage warehouses, in prohibiting the export of necessary foods, and in the fixing of prices by the Federal Court appointed last August.

#### WHY NOT REDUCE THE TARIFF ?

The Union government at Ottawa will, before February, resolve into the two great parties,—the Conservative, possibly styled Unionists, and the Liberal party. Coalition governments are always of short duration. Even a great war does not bind securely. "The Cake is too small," as Disraeli said, for the hungry mouths of would-be ministers. The Derby coalition government of 1852, despite Disraeli's efforts, did not last a year. "All the Talents" were represented, but the people disliked coalitions. The only policy that will save the present Union government in Canada will be a reasonable accord to the farmers, and a definite lowering of duties on clothing and other necessities. Even though Sir Robert have all the talents of both parties in his cabinet, unless he at

once regulate cold storage and reduce the tariff, his Coalition government will crack as Disraeli's did in 1852, and then will emerge a straight Conservative and a straight Liberty party. There is, however, a third great party in Canada which has evolved to immense proportions since 1913. The woman vote, the soldier vote, the labor vote, the farmer vote and thousands of others whom the war taxes and cost of living have awakened to independent thought,—these form the third or "Silent Party." They are independent of either the Conservative or the Liberal party. The Silent Party is to be reckoned with in the next federal election. This party will quietly insist that the profiteer be firmly dealt with; that if the western farmer be guaranteed \$2.15 per bushel for his wheat, then the eastern farmer should be protected on his potatoes; that criminal neglect in high places, such as the permitting of Canadian nickel to go to the enemy via the United States, should be punished even more severely than if it occurred in low places, and, finally, that the tariff on food and clothes should be reduced now and not wait for the delayed report of a Commission.



# POLICIES AND POLITICS

## How Australia Fixed Prices.

### NO. 2.

"Reflect seriously on the possible consequences of keeping in the hearts of your community a bank of discontent, every hour accumulating, upon which every company of seditious men draw at pleasure."—Burke.

The great Irishman was well aware that it is a dangerous thing for a nation to permit wealth to write the laws governing the people. Wealth, represented mainly by the rich and powerful manufacturers, have always and ever where bitterly contested the passing of reasonable protective factory acts. I have no doubt that many factory owners in New Brunswick are ashamed to-day of the violence with which they combated the Factory Act and Compensation for Injuries Act of 1903 to 1908.

In 1916 the interests were so powerful that no effort was really made to fix food prices in Canada. Then came the high cost of living, in 1917 and 1918. Not until 1919, six months after the armistice, did Canada at last make a serious attack on high prices. The Board of Commerce on September second decreed that the profits of sugar refiners may be 2-5c. per lb., wholesalers 5 per cent. on the actual cost; retailers, not over one cent per lb. Other fixed prices are to follow as the Board finds the need.

During that period of 1916-17, New South Wales (Australia) took strong ground on high prices, and passed the Prices Act. Every month the government issued lists of maximum prices, wholesale and retail. Sydney, with a population of 700,000, as well as all the other districts, were absolutely governed by these regulations.

In October, 1918, the Price List shows bread, two pound loaf, 4d. (8 cents), or 4½d. (9 cents), if delivered at the home. Compare this two pound loaf at 9 cents with the cost of our bread last October, weight only 1½ pounds. The low price of flour in

Australia accounts for much of this low cost of bread.

### Cash Price, Retail Flour.

100-lb. bag . . . . .	13s. 2d.—	\$3.16
50-lb. bag . . . . .	7s. ½d.—	1.69
25-lb. bag . . . . .	3s. 9d.—	.90

Wholesale dealers were permitted to charge only 4½¢ (\$4.57) per ton over mill price. This would be equal to about 48c. per bbl. profit. As mill price equalled about \$5.30 per bbl., the wholesale profit was about 9 per cent., retailers' profit about 20 per cent.

The Australian seller by law gets very much larger profit than is received by the retailer in St. John, N. B.

The above low prices, fixed by the government, were made easier on account of the immense surplus wheat in Australia, and also by the tonnage shortage. This only partly accounts for the low selling price, for undoubtedly the prices would have been much higher but for the government's strong stand.

Turning to Canada, we ask at once, "Is a government justified in fixing the price of wheat at \$2.15 per bushel, and thereby exacting a heavy toll from seven million people, in order to aid two million farm people?"

Should not Canadian and United States farmers be well satisfied this year to receive \$1.75 per bushel at Chicago and Fort William? This would have meant a decline of \$2.00 per barrel to the hundred and twenty million people in North America. I realize that the Canada wheat crop may not be as much as two hundred million bushels, but why should we, by fixing price at \$2.15, aid the United States in getting high prices from France, Italy and Great Britain? Let the United States act the Shylock if they so desire, but why should we help to hold up her itching palm? Most of the world wheat crops are doing well except Russia and Hungary. Tonnage is rapidly increasing, and freights must steadily decline. Thus the possibility of high flour becomes less every month, unless some crop disaster should happen.

Clearly, it can be said that Australia's policy of promptly fixing prices has saved millions to her people, whereas Canada's policy of delay and of yielding to Western influence is of

doubtful utility.

The October, 1918, price list also shows cheese, retail, at 1s. 3d. (30c.) per lb.; wholesale at 1s. (24c.) per lb.

Last October, St. John retail price was 38c. per lb.

Australian wholesale prices at mill for bran, £4 (\$19.48) per ton (2,240 lbs.), For middlings, £5 10s. (\$26.78).

Cost prices, St. John, Oct., 1918: Bran, \$40, middlings \$45.

Selling to-day: Bran, \$53 (ton of 2,000 lbs.); middlings, about \$63.

Australia fixes many prices at 10 per cent. profit to wholesaler, 20 per cent. profit to retailer.

Many houses in New Brunswick selling wearing apparel are now getting 33 1-3 per cent. on cost at wholesale, a profit of 50 per cent. on cost at retail. An article which costs at the factory \$4.00 is sold by the wholesaler at \$5.35 to the retailer, who re-sells it at \$8.00. Thus the wearer pays double the factory cost.

Why should not the Board of Commerce reduce clothing-dealers, etc., down to a profit of 10 per cent. for wholesalers, 20 per cent. for retailers? Would not that be ample profit until we get over these critical times? In sugar, wholesalers get 5 per cent., retailers 10 per cent. Why should re-

tailers of clothing get over 20 per cent. on standard, staple goods?

The Board of Commerce is the right body to deal with these things. It should have begun in 1916 and been carried on in the same active way as it was in Australia. Surely a general plan can be adopted, of 5 per cent. to 10 per cent. on some kinds of wholesale, and 10 per cent. to 20 per cent. on some retail goods. These high profits of 40 per cent. and 50 per cent. should be looked into and promptly cut down as in other places.

The Land of the Southern Cross has printed its laws in large type over the whole world. It worked on the higher law of Persons before Property. It forced the rich land owner to divide his holdings. It recognized trade unions before 1900 and many years ago gave women the franchise. Australia has taught us how to volunteer, and also how to treat those who during these years of trial drop with one hand dimes into the public treasury and with the other take out dollars. Australia, on the other side of the globe, across a continent and an ocean, teaches us how to make war, how to educate the youth, how to protect the workers in mine and factory, and how to restrain the profiteer.

# POLICIES AND POLITICS

## The Policy of Fixed Prices on Food, Fuel, Clothes and Footwear.

NO. 3.

"Now call we our high court of Parliament;  
And let us choose such limbs of noble counsel  
That the great body of our State may go  
In equal rank of the best-governed nation."

—Shakespeare.

The parliaments of Australia, France, Great Britain and lately the United States, have enacted strong measures to lower the present high prices. The U. S. Price Board decrees have caused an immediate decline since August 10th of 3c. per pound on lard, \$4 to \$6 per barrel on pork. Barrel beef, 200 lb. each, which in August sold at \$27.00 in bond, is now \$20.00 in October.

Canada's Board of Commerce, although late to arrive, is about to pursue the Australian plan and limit all profits to a percentage on actual cost.

Coal—This is one large item that the Board must debate. Canada owns the railway to the Cape Breton mines and can control the output, the freight rate and the profits to the owners and lessees of these Nova Scotia mines. The retail price for Sydney Reserve coal is \$9.75 per ton of 2,000 lbs. at St. John. Old Mines Sydney, best grade, is \$11.00 per ton. Are these prices warranted by the cost of production? There are only a few persons who control these mines, leased from the N. S. Government on life-long terms, but there are tens of thousands who need the coal for warmth.

Clothes and Shoes.—Will the Board inquire about the cost of distribution? Does it need 40 to 50 per cent. profit on purchase price to give reasonable return on retailer's investment? Why should not the retail profit on clothes and standard footwear be cut down

by the Board to 30 per cent. profit on cost or even lower? The retail grocer receives 10 per cent. on sugar, 7 per cent. on flour and 20 per cent. to 25 per cent. on general goods. He works very long hours and is at large expense for delivery, etc. Why should staple dry goods, clothes, footwear and fuel collect from the public over 25 per cent. profit? When goods that cost \$4.00 at factory, after paying profit to manufacturer are doubled to \$8.00 to the consumer, then it is time for the public to do away with the middlemen, or reduce the percentage of profit.

On August 11th and 12th the British Parliament, by a vote of 251 to 8, passed the bill providing prosecution and penalties for profiteers.

Sir Auckland Geddes, in piloting the bill, said, "Shoes that sold at wholesale at 15s. to 20s. retailed at 50s. to 60s., a profit of 200 per cent. It is this deliberate excess profit which makes the British workman regret, at times, that he sank, in 1916 and 1917, his ideas of unionism, and with a mighty effort, enlisted to win the war. It is this profiteering in Britain which has caused the unrest of 1918-1919. If we have in Canada similar outrageous profits in coal, boots and shoes, clothes and food, then the Board of Commerce must investigate, regulate, condemn and penalize those who make such gains.

Sugar Prices.—On July 31st last, Dr. McFall, of Ottawa, reports that five of the six Canadian refineries had a stock totalling 100,000,000 lbs. of sugar, about 15 lbs. per head for all Canada. The sixth, and largest, refinery refused to disclose its stock on hand. I am aware that much of the present high price of sugar is due to the ability of Cuban sugar planters to control the market. Their 1919 crop was about 3 1-2 million tons, and this coming season bids fair to be four million tons, or eight billion pounds, equal to 80 lbs. per head for one hundred million people. Besides this, there are the crops of Java, the Philippines, etc. Nevertheless the whole world is far short of the crop of 1912 and 1913, because Russia, Austria and Hungary, in 1919 are away behind normal beet production. Thus reasonably high prices will have to obtain during 1919-20.

The Cuban planters demand 7c. for the coming crop, which, if they get, will make the raws cost about 8 1-2c. per lb. at New York, duty paid, plus cost of refining, etc. How much of this extreme price is due to U. S. influence can be told when we learn what U. S. concerns control sugar in Cuba.

Last month Standard Granulated wholesaled in New York at 9c. If the above high price, 7c., is paid at Cuba, it means that Standard Granulated would have to wholesale about 10 1-2 in New York. Every month ahead, with sugar as with wheat, will see wider areas for Cane and Beet. This with the certain gradual decline of freights ought to allay the scare of 20c sugar. It is quite improbable that it will go above the present price, 11 1-2 to 12c per lb. retail.

Our Export Policy. Britain did not hesitate to place embargoes on both imports and exports when needed for her people. Beginning September 1st, almost all import restrictions ceased in Great Britain, as it was against their interests to continue them. If a disaster should happen to Canada's crop of wheat, vegetables or hay, Government might, in order to prevent outrageous prices, limit the export of wheat, or potatoes, or hay. This would be only a crisis measure to meet some extreme condition, such a measure would be quite warranted if Canadian mills combined to put Flour at \$20.00 per bbl., or if Western Grain Growers demanded \$2.50 for wheat, or the Canneries Limited agreed on an unconscionable price for Tomatoes, Corn, etc., or if the Refineries held out for 15c per lb on sugar. The Board of Commerce would

then limit export and make food cheaper for the people. On August 4th the Canadian Government saw the threat of high-priced footwear. They at once prohibited export of Canadian hides. Within a week hides declined 10c and calfskins 20c on the Montreal market. This prevented the advance in boots and shoes that was heralded last July. We must remember that two can play at this game of embargo policy. We raise many ordinary hides and skins, but we import from the U. S. many fine quality hides and leather. What would be the position here if the U. S. prohibited the export of fine leathers? That is the possibility before the Board of Commerce in all these questions of embargoes. The Board has complete control over all companies and combines. These last are legal if they receive fair profits. If the Board declares their profits unfair, then they are liable to heavy fines and must cease the unfair prices. It remains now to be seen how this Board will deal with the canned goods combine, &c.

One suggestion, that of Co-operative companies might be considered by the Board. Would it not be a wise policy to accept Section 8 of the Liberal Party Platform "Federal Incorporation of Co-operative Associations," and make it a crime for wholesalers or factories to refuse to sell to the same? If combines are legal, why not Co-operative Associations also legal, with power to buy and sell? If there be any wise method by which the middleman can be eliminated, and these heavy overhead costs cut down, is it not the plain duty of the government to evolve that method?

# POLICIES AND POLITICS

## The Parties and Labor Legislation.

NO. 4.

"The surest way to prevent seditions, is to take away the matter of them; for if there be fuel prepared, it is hard to tell whence the spark shall come that shall set it on fire."

Bacon.

On August 28th last, the N. Y. Journal of Commerce had a vivid editorial headed—"Is There To Be a Labor Rebellion?"

In a late study of poverty-causes in Baltimore, 8,663 cases were recorded. Of these 6,308, or 72 per cent., were found to be caused by physical, mental or moral weakness. Naturally one asks why this large percentage, and to what extent were employers responsible for conditions that promoted these ills and weaknesses.

In the third column of the same New York journal, as if in reply to the question about labor rebellion, the editor admits that five powerful U. S. meat packing companies have acquired control of the refrigerator cars, and the stations and cars employed in their operation, but the editor strongly deprecates the idea of government control and ownership as it "quenches the spirit of actual enterprise."

These combinations and many others which exploit the thousands for the benefit of a very few—these are the direct causes of discontent. When wages advance 100 per cent. and cost of living rises 130 per cent., it drives anger into the hearts of men and they hate the hand that pays the wages. The bigger the fuel-pile of discontent the more chance for the robber and the thug.

President Wilson saw this and agreed to the labor sections of the Peace Treaty. The British Government went much further, and definitely promised, last August, to "increase by practically one hundred per cent. the wages of British railway locomotive engineers and firemen; to make

the general working week forty-eight hours; to establish a system of government control of the coal mines, in which the miners will participate; to create industrial councils of employers and employees; to establish living wages for the workers in nearly all industries; and to abolish the war import license regulations and to provide protection against dumping."

This is an open hint to the Canadian Government, and everywhere are heard regrets that the Governor General's speech on September 1st did not contain any hope of similar legislation.

The Liberal party has adopted a very full platform, some of which they may not stand by. They were careful not to follow Britain's lead and do not even mention an eight-hour day in their platform. It is a fair inference to think that they are against the 48-hour week.

Nor do they advocate a minimum wage Act. These are the laws that labor is getting in Britain. These laws must be enacted soon in this country.

Whether Sir Robert Borden or Hon. W. Mackenzie King form the Government next February, they must be prepared to follow Britain's lead and pass laws—

1st. To recognize trade unions and their right to bargain through their committees.

2nd. To make it a criminal act to discharge an employe on account of his belonging to a union.

3rd. For a 48-hour working week.

4th. To provide a reasonable minimum wage for all workers in ordinary trades, factories, mills, stores.

The Liberal convention gave no sign on these questions so vital to labor.

It is now for the Unionist Party to make their position clear on these reasonable demands that already are accepted by the present British Government.

We had too long in St. John the shame of allowing men only two shifts for 24 hours' work. It is neither humane nor decent for a community to permit men to work thirteen hours per day one week and eleven hours the next week.

These workers don't drive the machinery. On the contrary, the machines drive them.

The industry, no matter what, that has to work its people twelve hours, is a vast harm to any city.

Furthermore, the Government Party that fails in its platform and pledges to recognize these needed laws is not worthy the respect of the electorate. The times are changed. The voice of the working man and woman must be heard. They demand a reasonable living wage that will give good food, clothes, shelter, and some comforts. These, with reasonable hours, will lessen the discontent and will gradually fill up the chasm that yawns between Capital and Labor.

If the Liberal Party and the Conservative Party refuse these demands, then the great hitherto silent party will be welded with the Labor Party, the Soldier Party, and the Farmer Party. Thus united, they will try to lay the foundations of a state which will recognize that persons should be the first consideration of the Government.

It is a joy to turn from the attitude of those who practise a 12 hour shift to those others who show a wider humanity. Last year twenty Quaker employers of Great Britain outlined their programme, "the right of labor to organize, to bargain collectively and to participate in the industrial management." These Quaker merchants went on to say: "We ask all employers to consider whether their style of living and personal expenditure are restricted to what is needed in order to insure the efficient performance of their function in society. More than this, is waste, and is a great cause of class divisions."

In Great Britain the Conference of Social Service (all denominations)

declared in 1918, "that legislation should recognize persons as more sacred than property, that the State should enforce a minimum living wage, should enable the worker to obtain some control over industrial conditions, should safeguard the right of workers to a reasonable amount of rest and recreation, and should afford ample opportunities for education." Added to this comes the message of Archbishop Patrick Hayes, who speaks to two million Catholics in New York. In his pamphlet, Feb., 1919, he says: "A living wage is not the full measure of justice. It is only the minimum of justice. Wages should be high enough to make possible the saving which is necessary to protect the worker and his family against sickness, accidents, invalidity and old age. The State should enact laws providing for the establishment of wage rates. The right of labor to organize and deal with employers through committees should never again be questioned by employers." The broad, sane and human view of Capital and Labor as enunciated by the Archbishop will give the workers of Canada, a renewed hope that their Bishops and church leaders will soon be of the same opinion as this eminent divine.

This wolfish policy of beating out human lives by wages below the living cost must go, else the suggestion of N. Y. Journal of Commerce may find its echo in the Canadian press. If so, then there is only one class to blame, and that is the class who have been shown by the commission's report to have received in many cases profits on their investment ranging from 46 per cent to 200 per cent.

This class of manufacturers made such enormous profits during the war period that the alarmed public is now continually asking "Who are to blame, and why are they not punished?" Pages 126 to 143 of the June, 1919, Report admits that Canadian packers had a surplus of pork meat in English cellars in the winter of 1918-19, that in January, 1919, three packers and one Dominion Government official went to England and obtained an order from the Government. The evidence proves that the store-houses in Canada were also glutted. One packer's agent replies, "We had no curing space; we were filled up."

One witness admitted the combine for buying purposes. He said, "An hour after I fix the prices which our buyers must pay for hogs — the other packers know of it." This looks as if "the others" were told it by arrangement.

Thus the combine keeps down the price paid the farmer, and by unloading at low prices to Italy and England, keeps up the price to the consumer in Canada.

A Sherbrooke Woollen Company admits that its net earnings for five years — 1915-16-17-18-19 — were 197% on their capital of \$600,000. He made over \$1,000,000 in the five years, 72% net profit in the year ending January 31, 1919.

Is it any wonder that woollen goods were high last winter when companies were permitted to make such profits?

On January 31, 1919, after paying yearly dividends of 10% to 15% on \$600,000 capital, they had left from accumulated profits \$1,010,000 as a rest, or melon, for the stock-holders.

Another great company, a cotton company, had \$5,000,000 common stock issued. Pages 364-5 of the Report show that the company paid, in 1905, only \$500,000 for this whole five million dollars. In June, 1919, stock was quoted as worth \$119 per share. \$4,500,000 of the five millions was dirty water — cost nothing in 1905. In 1918 the company's total sales were \$16,850,000 — profits \$1,873,000, or 11.11% on sales. In 1919, \$23,600,000 — profits \$3,435,000, or 14.50% on sales. Deducting war tax, etc., leaves \$1,560,000 net profits for the year ending March 31, 1919, or 300% on original cost of the common stock. (See page 377).

The commission said to witness, "I understand from you that the company purchased the \$5,000,000 common stock for \$500,000?" Witness replied, "Yes."

These net earnings have been arrived at after deducting 6% and 3¼% off machinery and plant cost = \$648,000; also \$631,000 for "renewals reserve" (374-5) — \$894,000 for repairs.

Now since these enormous profits on cotton and woollen goods, the demand seems reasonable that the 15% to 32% protective duty on these goods be quickly reduced, so that British goods can be made cheaper to the consumer.

The greed of the manufacturer has dealt a powerful blow to the policy of protection.

#### FLOUR MILLS PROFIT.

On page 634 the committee asks, "After providing a contingent fund of \$450,000, after paying dividends of 18, 20, and 22% on common stock, and after putting aside a depreciation fund of \$750,000 you still have \$1,500,000. Don't you think it an enormous surplus to accumulate in war years?"

To which question the patriotic company manager replied — "I don't."

One committee man said, "It will not help, in these times of unrest, to see one section of the country getting profits of this kind." Another remarked, "These dividends are exorbitant." The public sees that a flour company is formed in 1910-11; buys up the old company, and pays a good price. Many of the men in the old company are in the new company. This company pays the old company \$230,000 for the good will, and issue stock for the whole four million dollars — \$2,500,000 in common stock, \$1,500,000 in preferred stock. They pay the annual expenses — insurance, salaries, wages, etc.; 7% dividends on the preferred stock; pay dividends on the common stock of 18 to 22½%, as above; charge enormous amounts against profits for depreciation, etc.; sit back in their cushioned chairs, and with \$1,500,000 carried to next year's credit, they clasp hands with the devil and say, "We don't think these are enormous profits."

Another company earned in 1917 profits of \$1,359,000 and in 1918, \$1,955,000. This company paid the usual 7% on the preferred, and 12, 25 and 27% on the common, and still retained \$1,140,000 in 1918 as a "Rest."

#### THE MEAT PACKERS.

Our Government gives large subsidies to cold storage plants, but after the last payments are made the Government does not carefully control the methods of the cold storage owners. The commission evidence gives ample proof that the Government should force goods out of storage after a reasonable time. The record of the sale to Italy, May, 1919, of thirty million pounds of frozen meat is a disgrace. There were seven main packers in Ontario and Quebec, most of them interested in the cold storage plants to which the public had contributed by subsidies through the Government. These packers had cellars and store-houses filled to overflowing, with meat. They did not cut down the prices in January



and February last to the people, but held up the prices, hoping to sell to England. Then came the refusal from Great Britain to buy more. Instead of cutting the price down to 16 cents or 18 cents to Canada, they held on until April, and finally, in May, 1919, sold the 30,000,000 lbs. frozen meat to Italy for \$6,000,000, about 20 cents per lb. By getting out of the market, they helped to keep up the price in Canada. If the Regulation had forced them to sell the beef after three months storage Canada would have had cheaper beef. I don't know if Italy has yet paid the bill, but this Government arranged for the credit — see page 699.

One packing firm stated to the committee that the beef cost 18½ cents and there was "no loss." Another said the loss was two to three cents per pound.

Who is to decide when packers disagree? Not the Government. It is too slow. One of the witnesses said — "What public?" in derision of the consumer and his apathy. But there is a public, and that public has seen and heard, and is very wide awake. If it bellows and rages some day at coal \$15.00 per ton, bread 14c. a loaf, and beef at 25c. to 40c. per pound, will it not be the fault of these men, these packers, millers, and others who seized the war opportunity to make fortunes for themselves and their children's children?

A grain company, capital \$2,650,000, in the West, bought of the farmers. See their profits.

1913.....	\$332,300; Assets \$2,938,000
1916.....	805,904
1917.....	1,042,600
1918.....	1,610,300; Assets 7,716,000

Thus in five years they increased their assets over 160% besides paying all taxes, interest, etc., and enormous salaries to four managers. One of them received \$60,000 salary.

My investigation of this High Cost of Living Report of June, 1919, reveals one surprising feature; i.e., the impertinence, if not insolence, of many of these wealthy concerns. Their patriotic souls have become so gorged with booty gained during the war, that they not only damn the consumer, but they also haughtily ask — "What public?" One goes so far as to refuse to tell the other three managers who receive the share of the 5% on net profits — another lies as to the cost of meat, and still another tells the committee what their duty is. Others admit that Chicago houses have a 53% interest in Toronto stockyards, and many have lost their memory to a frightful degree. What can we expect of the rank and file of a nation, when the very rich are so crazed for more wealth, that they will twist and turn to conceal their profits and their reserves? Small wonder that the people rise in red rebellion. My wonder is that the workmen are so decent. These rich are utterly foolish in their pride, and are marching to their own destruction. Let them read Labor's demands on the cover of this book, and hasten to amend their wrong deeds by a quick accord. The Silent Party of Soldiers and Laborers, have fought, sweated, and striven these five years, and most have received only a living. This Party demands, and will get, more than a bare living. The happiness, comfort, and health of every person must be considered first. The new Party will demand this, and will also insist that those who have acquired, illegally, bonds, stocks, land, property of any kind, shall be imprisoned and be made to disgorge.

Wildcat railway schemes, by which a Party steals hundreds of thousands from the Public Treasury through the soft speech of a hungry tool, must be scarred with a red-hot iron.

These are the thoughts of the advancing Silent Party, the awakened people of Canada. Toronto, Winnipeg, Montreal, Halifax, St. John, Moncton — everywhere I hear the movement of the Party which proposes that Persons, and not Property; the workers, not the wealthy, shall be the first and main consideration of Government.



# POLICIES AND POLITICS

## The Time to Reduce the Tariff is Now.

### NO. 5.

"Politics are not a drama where scenes follow one another after a methodical plan, where the actors exchange forms of speech settled beforehand. Politics are a conflict of which chance seems to be modifying the whole course."—Sorel.

The evidence taken by the Federal Commission last spring and summer startled Canada by its revelations. It was proven that flour milling companies, meat packing companies, cloth and cotton companies and many others had rolled up huge profits during the war years. Other concerns proved that they had declared small dividends, but it was on much diluted stock. Forty years of the National Policy had made many factories so solid that they took full advantage, by combination, of the high protective duty. Many prices were just low enough to prevent much foreign importation; thereby the manufacturer realized a large profit. People see that manufacturers do not now need the high protective tariff imposed since 1880, and demand a revision. The laborer, the mechanic and others are wide awake now to the fact that the workers have been receiving too small a share, and employers too large a share, of the value of the product. This has lent much strength to the cry for reduced cost of living.

"Opportunity is held on the back of her head." If Sir Robert Borden and his cabinet seize the opportunity before she slips by, he will be doing simple justice to the mechanic and the soldier who have aided so much to success in 1918. Advance in wages is not nearly equal to advance in cost of living. Profits in many lines of business have been enormous. The fixing of prices on wheat, sugar, cheese, bread, etc., will not go far to remedy the evil. Why, then, not reduce the tariff about 5 per cent. or ten per

cent. on clothes, footwear, etc., and make a larger reduction on some lines of food?

### CURIOUS TARIFF FEATURES.

What benefit to have a duty on coal oil? Canada does not produce enough to last the country one week. The duty of  $2\frac{1}{2}$  cents per gallon affords no aid to our oilwells. The duty collected, \$33,000 in 1917, is largely paid by working people. Why keep it on? Make coal oil free and oil goes down 2 to 3 cents a gallon.

Cheese and Butter are needed foods. The total duty collected in 1917, \$61,800; in 1918, \$27,300. The rate of duty from the United States is: Cheese 3c., butter 4c. per lb.. We buy almost none from the United States, yet the 3c. and 4c. duty per lb. help the middlemen to a larger profit. Why not make them both free? It would tend to keep the price of butter and cheese two to three cents lower than now quoted.

Lard. Duty, 2c. per lb. In 1917 the duty collected was \$59,600. In 1918, \$28,000. This has only assisted the meat packers to obtain larger profits. Why not remove the duty, and prices would be weaker? All these necessities, butter, cheese, lard and coal oil, gave a total revenue of \$351,000 in 1918. The graduated income tax on excess profits of the meat packers or other large concerns should make this \$351,000 duty look very small.

Soaps.—The duty on common laundry soaps is \$1.00 per hundred pounds; from France and the United States plus  $7\frac{1}{2}$  per cent. From Great Britain 65c. per 100 lbs. Other 4s,  $32\frac{1}{2}$  per cent. and  $7\frac{1}{2}$  per cent. from United States and France;  $22\frac{1}{2}$  per cent. from Great Britain.

In 1918 the duty collected was \$282,000. Could we not afford to reduce this soap duty about one-half? The larger imports would keep up the revenue and keep down the present high prices.

Boots, Shoes, etc. Duty 30 per cent. from United States,  $27\frac{1}{2}$  per cent. from France, 20 per cent. from Great Britain. Total duty collected in 1917, \$1,023,000; in 1918, \$113,300.

In the consumers' interest these rates could be lowered 10 per cent. More United States and French stuff

would come in. I doubt if the revenue would decrease, and the stronger competition would keep our factories from overcharging. Thirty per cent. on United States makes means \$1.20 on a \$4.00 boot. Surely 80c., or 20 per cent., should be ample protection.

Women's and Children's Dress Goods mainly woollen (many kinds), per tariff article 563, unfinished, duty 25 per cent. from United States, 15 per cent. from Great Britain, 22½ per cent. from France.

Fabrics, etc., Cloths; Ready-made Clothing, mainly wool, per article 567: Duty from United States 35 per cent., duty from Great Britain 30 per cent.; duty from France 35 per cent.

Could not the duty on all these woollen goods be reduced 5 per cent., or even 10 per cent? Our imports would increase, and thus the loss of revenue might not be over \$2,000,000, which does seem a large loss. Cost of imported woollens would, however, keep down the prices here. The consumers would get lower prices, and the factory companies would get less profit.

In 1918 the revenue from wool goods, all kinds, grossed \$9,577,000, which shows that our factories were unable to supply Canada's needs.

Cotton Goods. Total revenue of 1918 \$9,036,000. Of these embroideries, cords, handkerchiefs, laces, tapes, braids, etc., (cotton and linen) per Article 575, paid duty at

35 p. c. x 7½ p. c. from U. S.

25 p. c. from G. B.

35 p. c. x 7½ p. c. from France.

Velveteens, Velvet, etc., not pure silk—duty:

30 p. c. from U. S.

17½ p. c. from G. B.

27½ p. c. from France.

Velvets, pure silk, per Article 581—duty:

30 p. c. from U. S.

17½ p. c. from G. B.

20 p. c. from France.

Ribbons, all kinds, per Article 582—duty:

35 p. c. from U. S.

22½ p. c. from G. B.

25 p. c. from France.

All of these that are cotton and linen might be reduced 5 p. c. or even

10 p. c. They are largely used by the workers. The velvets and ribbons made of silk, and all silk might well be taxed at 10 p. c. to 25 p. c. higher than now. It is curious to see silk velvets, and silks at 20 p. c. from France, whereas staple woollens and cotton goods are 35 p. c. from the same country. By increasing duties on silk goods, and decreasing tariff on woollen and cotton goods, we reduce costs to the poor and increase costs to the rich. The revenue would not be too much reduced and ordinary clothing would be lower.

Silk Goods paid duties in 1917 \$3,070,000. In 1918 \$3,487,000.

Those who can afford to be clad in velvet and silk surely would not object to paying more for French and Italian silks, if they knew that meant lower priced coats and dresses for the young people who make up these costly garments for the more fortunate.

The Liberal platform has failed to pledge an eight-hour day, or a minimum wage act, but it has struck a true note when it demands "free wheat, free cements and fertilizers, principal articles of food free, and a reduction of Tariff on footwear and wearing apparel."

The Platform does not state if it includes canned goods, Beans, Peas, Meats, Cheese, Bacon, Butter, Eggs in the "principal articles of food" but it is fair to assume that it does.

None of the speakers have yet intimated how they will make up the four million dollars revenue loss on meats, nor what reduction should be made in the duty on woollen and cotton goods. This Platform, however, has alluring features, and these have to be met by other contending parties.

The times are very much out of joint, and the mere politician, veering to every wind, has no firm grip on the rudder.

Here is the chance for these two parties to develop the men who will not be bound by precedent and custom men who will not be tied to the past, and who will hew out the future policy. Underneath that policy must be, shall be, the broad rock principle of justice to the vast throng of workers. They are to be considered first. Almost every order-in-council consid-

ers property first, and the worker, the individual, last. With the new policy, which even now is seething at Ottawa, must come the full recognition of the right to unionize, the right to bargain collectively, the eight-hour day, or 48 hour week, and the Minimum Wage Law. The welfare of the whole state demands the establishment of these rights. Even in the interests of the factory owners who so foolishly decried the Factory Acts, and the Workmen's Compensation Act, ten years ago; even in their own interests it is best to grant to Canadian labor what the British Government has pledged to its workmen. The granting of these demands and the reduction of the cost of living by reasonable tariff changes now, will reveal the real statesmen at Ottawa.

Delane, of the London Times, who was the creator of that world journal,

in those years between 1845 and 1875 never hesitated. He worked and wrote for no privileged class. His cool calm editorials struck the warning note to all politicians and parties when he saw England and the English people in danger. He gave no weak, backward look at precedent. He did not kow-tow to wealthy manufacturers or powerful aristocrats. He carved out his own pathway, and set high the Beacon of Independent Thought for both Press and People.

So I trust that the Government Party when it writes its platform call, will not forget that vast Silent Party and that cohered Labor Party, which are asking firmly and persistently that the consideration of persons in the State is the first paramount duty of Government.